

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 10660 01 OF 02 121759Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 PA-01 PRS-01 USIA-06 /041 W
-----121825Z 040215 /50
R 121822Z APR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1649
INFO ALL EC CAPITALS

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 10660

E.O. 11652: N/A
TAGS: PLAB, FR
SUBJECT: PLANNED REDUCTION IN STEEL INDUSTRY
EMPLOYMENT

REF: PARIS 10417

1. THE STEEL EMPLOYERS FEDERATION HAS MADE PUBLIC ITS PLANS TO REDUCE THE NUMBER OF JOBS IN THE INDUSTRY BY 16,000 OVER THE COURSE OF THE NEXT TWO YEARS. OF THESE CUTS, SOME 12,000 WILL BE IN PLANTS LOCATED IN LORRAINE. THE NET EFFECT ON EMPLOYMENT, AFTER TAKING INTO ACCOUNT NORMAL ATTRITION, EARLY RETIREMENTS, AND REORGANIZATION IS EXPECTED TO BE THE PERMANENT LAYOFF OF 5,000 PEOPLE, 2,900 OF WHOM ARE TO BE RETRAINED FOR EMPLOYMENT ELSEWHERE, AND THE REMAINING 2,100 ARE TO BE FOREIGN WORKERS WHO WILL BE ENCOURAGED TO RETURN HOME. PREDICTABLY, THE ANNOUNCEMENT WAS MET WITH THE UNITED OPPOSITION OF ALL FIVE OF FRANCE'S MAJOR UNIONS; COMPLAINTS BY BOTH THE COMMUNIST-LED CGT AND THE SOCIALIST-ORIENTED CFDT THAT THE EMPLOYERS FIGURES DOWNPLAYED THE PLAN'S ACTUAL IMPACT ON THE WORKERS, AND THAT RELEASING THE FOREIGN WORKERS WOULD BE "RACISM"; AND WIDESPREAD

LIMITED OFFICIAL USE

PAGE 02 PARIS 10660 01 OF 02 121759Z

LOCAL CONCERN.

2. THE TIMING OF THIS ANNOUNCEMENT APPEARS RELATED TO THE SCHEDULED APRIL 19 PARLIAMENTARY EXAMINATION OF THE FUTURE OF THE TROUBLED STEEL INDUSTRY, AND SERVES NOTICE OF THE SERIOUSNESS WITH WHICH THE EMPLOYERS VIEW THEIR SITUATION. THIS NEWS IS ALSO

CERTAIN TO INTENSIFY THE DEBATE BETWEEN THE CGT AND THE CFDT OVER THE FUTURE OF THE INDUSTRY UNDER ANY FUTURE GOVERNMENT OF THE LEFT. THE CGT, WHICH FAVORS NATIONALIZATION ALONG TRADITIONAL LINES, HAS BEEN UNABLE TO PERSUADE THE CFDT, WHICH WILL NOT ENDORSE ANY PROGRAM WHICH DOES NOT INTER ALIA INCLUDE STEPS TOWARDS A DEMOCRATIZATION OF MANAGEMENT (AUTOGESTION), TO JOIN ITS DAY OF ACTION IN STEEL ON APRIL 14.

3. THE REPORTED INTENTION OF THE EMPLOYERS BOTH TO RETRAIN THE AFFECTED FRENCH WORKERS AND TO ENCOURAGE THEIR FOREIGN COLLEAGUES TO RETURN HOME IS OF SPECIAL INTEREST. IT PARALLELS WHAT THE NATIONAL EMPLOYERS FEDERATION HAS TOLD US ABOUT THE CONSULTATIONS IT HAS BEEN HAVING WITH THE GOVERNMENT ON A NEW LABOR MARKET STRATEGY. ACCORDING TO THESE ACCOUNTS, PRIME MINISTER BARRE WILL UNVEIL, AT THE END OF THE MONTH, A SERIES OF MEASURES DESIGNED TO REDUCE STRUCTURAL BARRIERS TO LABOR MOBILITY, TO PROVIDE RETRAINING PROGRAMS FOR THE UNEMPLOYED, AND TO ENCOURAGE, BY MEANS OF GRANTS AND TRAINING PROGRAMS, THE VOLUNTARY REPATRIATION OF FOREIGN WORKERS. IT IS APPARENTLY BY MEANS OF THESE MEASURES, RATHER THAN ANY MODIFICATION IN THE BARRE PLAN'S MACRO-ECONOMIC MEASURES, THAT THE GOVERNMENT HOPES TO DEAL

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 10660 02 OF 02 121801Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 PA-01 PRS-01 USIA-06 /041 W
-----121825Z 040266 /50

R 121822Z APR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1650
INFO ALL EC CAPITALS

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 10660

WITH THE PROBLEM OF UNEMPLOYMENT.

4. UNEMPLOYMENT, REAL AND ANTICIPATED BOTH IN STEEL AND ELSEWHERE, REMAINS THE BIGGEST ISSUE ON THE LABOR SCENE. IT IS THE OBVIOUS STICK WITH WHICH THE CGT AND CFDT HAVE BEEN BEATING THE GOVERNMENT, AND STAYING ON THE PSYCHOLOGICAL OFFENSIVE. IT IS ALSO, HOWEVER, ONE OF THE BIGGEST BRAKES THE TWO FEDERATIONS HAVE ON THEIR OWN FREEDOM OF MANEUVER BECAUSE, IN THE OPINION OF MOST OBSERVERS, THE RANK AND FILE IN THE PRIVATE SECTOR, ABSENT REAL ISSUES OF IMMEDIATE IMPACT SUCH AS IN STEEL OR ON THE DOCKS, ARE CONCERNED ABOUT THEIR JOBS AND INCOMES AND ARE NOT IN AN ADVENTUROUS MOOD. IN THAT CONNECTION, IT IS INTERESTING THAT THE CGT AND CFDT STRATEGY (SEE REF) CALLS FOR JOINT STRIKES IN THE PUBLIC AND NATIONALIZED SECTORS, WHERE JOB SECURITY IS VIRTUALLY GUARANTEED, AND ONLY FOR COORDINATED ACTIONS IN THE PRIVATE SECTOR. IT IS ALSO INTERESTING TO NOTE THAT THE PRESIDENT OF THE SOCIALIST-LEANING NATIONAL TEACHERS FEDERATION FEN HAS MADE SPECIAL NOTE THAT THE ACTION WAS TO BE CONFINED TO THE PUBLIC AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 10660 02 OF 02 121801Z

NATIONALIZED SECTORS (AND THE FACT THAT HIS ORGANIZATION HAD NOT BEEN CONSULTED IN DRAWING UP THE PROGRAM) IN INDICATING THAT THE FEN MIGHT NOT JOIN WITH THE CGT AND CFDT IN THEIR PLANS.
GAMMON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EMPLOYMENT, INDUSTRY, STEEL, LABOR FORCE, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS10660
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770126-1039
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770466/aaaacfaf.tel
Line Count: 149
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0141bda6-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 PARIS 10417
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2832418
Secure: OPEN
Status: NATIVE
Subject: PLANNED REDUCTION IN STEEL INDUSTRY EMPLOYMENT
TAGS: ELAB, FR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0141bda6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009